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THE DANISH COLONIAL FISCAL SYSTEM IN THE WEST INDIES.

INTRODUCTION.

The Danish West Indies rank among the lesser colonial establishments of the world, but a study of their history and administration is of value not only because of the present interest of America in the future destiny of the islands, but also because we have in them one of the best examples of a liberal colonial policy developed to meet difficult conditions and maintained with unfaltering resolution by the home government, even in the face of an inevitable financial loss.

These islands lie just east of Porto Rico as the advance guards of the Lesser Antilles. St. Thomas, which is within forty miles of American territory, is about thirteen miles long and three wide, with an area somewhat less than an American township and a population of fifteen thousand, nine-tenths of whom are colored. St. John is a little island with but a thousand inhabitants, which lies under the lee of St. Thomas and forms part of the same administrative district. St. Croix, or Santa Cruz, lies to the southeast of Porto Rico and about forty miles directly south of St. Thomas, and contains some seventy-four square miles, of which no less than sixty-eight are tillable. The population of the island is nineteen thousand, mostly colored, and, as in the other islands, the English language is the common tongue. St. Thomas is noted the world over for its excellent harbor, while St. Croix is almost purely an agricultural island whose products of sugar, rum and molasses have made its name familiar to all.¹

¹ See Hill, "Cuba and Porto Rico," etc., 308-317; Fiske, "The West Indies," 295-301.

These islands are held by Denmark as a heritage of the great colonial movement of the seventeenth century. As early as 1612, the first Danish East Indies Company was organized, and before 1701 the fourth great Danish company, that of the West Indies and Guinea, was chartered and given a monopoly of the trade of the Gold Coast, consisting mainly of ivory and of slaves destined for St. Thomas. A few years previously, in 1671, Christian V. had sent a little expedition to the Antilles to occupy in his name the island of St. Thomas, an acquisition considered of small importance at that time, but soon to become by the force of circumstances a great depot for contraband merchandise on its way to the Spanish American possessions. In 1719 the little island St. John was occupied, and in 1733, by session from the court of France, the island of St. Croix was acquired. The company, however, abused its monopoly and was dissolved in 1754, the king purchasing all of its establishments for 2,200,000 crowns and reimbursing the shareholders.¹

Upon the dissolution of the company, the trade of the islands was thrown open to all citizens of Denmark and the prosperity of the colonies developed with great rapidity.² The wars of Europe, in the midst of which Denmark maintained a neutral position, contributed to the importance of the islands, and the neighboring colonies had frequently to look to St. Thomas for slaves and other supplies. Whether the mother country ever derived any marked advantage from the possession of the islands may well be questioned. A distinguished French authority, M. Leroy-Beaulieu, is inclined to the opinion that the depression of home industries consequent upon

¹ Bonnassieux, "Les Grandes Compagnies de Commerce," 436-441.

² Smith, "Wealth of Nations," II., 78.

the investment of needed capital in the colonies more than counterbalanced the meager returns secured thereby.¹ However that may be, a study of the recent financial administration of the islands demonstrates not only that no material advantage has accrued to Denmark from her American possessions in the last few years, but that the maintenance of her dominion over the islands has cost her dearly. And one may well question whether a country so remote, without great commercial interests to be subserved by their retention, can ever give so liberal and enlightened an administration to these islands as that maintained by Denmark without being called upon to face as heavy, if not heavier financial losses from year to year.

The fundamental law which has determined the administrative relations between Denmark and her West Indies possessions was adopted Nov. 27, 1863. With slight modifications the provisions of this law have continued to govern those relations down to the present, although strenuous efforts have been made from time to time to adopt radical amendments, the last important attempt in this direction being made in 1897. The law itself consists of some eighty-six articles, and may very justly be described as a complete code of Danish colonial administration.²

Primarily all matters of legislation are in the hands of the Rigsdag, but with the exception of the obligation upon the home treasury to pay certain prior existing indebtedness and changes in the law itself, the law-making power is given to the king, and two colonial councils, one for each commune, to be exercised by them

¹ "De La Colonization chez les Peuples Modernes," 4th ed., 184.

² *Coloniallov for de dansk-vestindiske Oer.* (J. H. Schultz, Copenhagen, printer.)

through ordinances, the Rigsdag retaining a right of approval or rejection, and requiring the submission of such laws to it at earliest convenience (sec. 1 and 2). The governor of the islands may under extraordinary circumstances publish provisional orders, but these must always be presented to the colonial council concerned, at its next ensuing meeting, so far as the matter requires determination by law, and they must be further referred through the ministers to the Rigsdag (sec. 4).

The administrative authority over the islands is exercised by a governor under the superior charge of a responsible minister, by agreement with instructions given by the king (sec. 5). The superior court of the kingdom is the high court of appeal for the islands. Until an appeal from the decree of the colonial courts is decided, the appellant must abide by the determination of the local authority (sec. 6). The power of appointment of administrative officials is vested in the king, but the appointment of certain inferior officials may be delegated to the governor (sec. 9). The king has the right to remove all appointive officers except the judges, but all officers removed without cause have a right of pension accorded them by the laws.

For administrative purposes the Danish West Indies are divided into two superior districts: the first consisting of St. Croix and the islands immediately adjacent, and the second of St. Thomas and St. John, with the islands adjacent thereto. The colonial governor is the immediate over-superior in that district where he resides, while in the other a vice-governor performs the functions of an over-superior¹ (sec. 10). In the hands of the governor are placed extensive powers over the administration. He is to see that the laws are exe-

¹ The governor now exercises the functions of vice-governor also.

cuted, that the subordinate officials fulfill their duties, and he may suspend for crime an officer appointed by the king (sec. 11) but must thereupon bring action against such officer before the courts. He is commander-in-chief of the armed forces, and in case of urgent need may declare the islands in a state of armed siege and exercise unlimited authority (sec. 12).

Each of the two superior districts forms a separate commune, and for each a colonial council is provided to assist in the control of the economic and financial affairs of the commune in the manner hereafter set forth (sec. 13). In St. Croix thirteen councillors are chosen by the people from electoral districts, and five are appointed by the king; in St. Thomas and St. John eleven are chosen by the people from three electoral districts and four are appointed by the king (secs. 14, 15 and 16). The councillors serve four years, one-half retiring every second year, and no restriction is placed on their reelection (sec. 17). The franchise is exercised by all male citizens twenty-five years of age who own property in the commune of an estimated annual rental of \$75 in St. Croix and St. John, or of \$150 in St. Thomas, or who have had in the previous year a net income of \$500 (sec. 17). A residence is required in the commune of two years and in the electoral district of six months, and the voter's name must be inscribed on the electoral registry (sec. 18). All citizens who have the franchise are eligible to nomination for membership in the council, but the governor and the secretarial officers are made ineligible (sec. 19). The elections are under the supervision of a justice of the peace and two other citizens, one appointed by the over-superior and the other by the council of the commune (sec. 21, 32). Elaborate provisions obtain for the con-

trol of registration and the conduct of elections (sec. 33-35).

Each colonial council is required to meet every other month at a fixed date determined by the governor for the year¹ (sec. 36). The governor may dissolve either council, but this power may not be exercised more than twice in two years and the new council must be convened within two months after the dissolution (sec. 36). The governor may attend the sessions in person or by deputy; and all communications to either council must be through the governor or vice-governor respectively (sec. 37). Each council appoints its own officers (sec. 38) and determines its own rules of procedure with the sanction of the governor; a quorum consisting of one-half of the members elected (sec. 40). The use of both Danish and English is authorized in the deliberation of the councils and the journals are kept in both languages, the preference being given to the Danish in case of doubt as to the interpretation of the journal (sec. 39). The initiative in legislation is given to any member, and to the governor or vice-governor whenever he chooses to exercise the right (sec. 41). Each council has a qualified control over the elections and discipline of the elective members (sec. 46). The councillors are true representatives, not responsible for their votes to their constituents (sec. 48). In cases concerning laws applicable to both communes or such other matters as may require such proceedings, the colonial councils may, at the proposal of the governor, refer the same to a joint committee consisting of equal delegations. The matter recommended for such proceedings must, however, first have been laid before each council, and the final decision

¹ It must be noted that the governor in all these matters is immediately subject to the responsible minister of the home government.

thereon be taken by it so far as its interests are concerned (sec. 42).

FINANCIAL ORGANIZATION.

By the law of 1863, a separate colonial treasury was established in each commune (sec. 49). All revenues collected by the authorities in either commune are to go into the colonial treasury of that commune, and those that are collected by the superior administration are to be turned into the appropriate colonial treasury (sec. 51). The general charges to be assumed by the colonial treasuries in common are as follows: 1st, for the superior colonial administration 12,600 rigsdalers¹ (sec. 54); 2d, all expenses of the supreme court of the districts except \$200; 3d, all pensions for royal officials in the islands whose salaries are a common charge; 4th, all military expenditures for the collective garrisons; 5th, all other expenditures incurred in common for the islands. These general charges are to be divided equally between the communes, except that military expenses are to be apportioned according to the number of men who have served during the previous year (sec. 53).

All local charges are assumed by the treasuries of the communes. These include the expenditures for the colonial council, the local judiciary and police, the clerical department, the customs and harbor and pilot charges, postal and telegraph department, public roads, public instruction, sanitation, fire protection, care of the poor and of the prisons, and certain miscellaneous charges for public buildings, etc.

The provisions relating to the budget now demand our immediate notice. The law of 1863 required the over-superior to present to the colonial council a plan of

¹ Amount equals \$6,753.

budget with a detailed exhibit of the probable revenue and expenditures of the given colonial treasury for the year following. With regard to the items of the budget not included in the existing laws or rules, the plan for including them must be presented in the form of an ordinance to the council, and when passed by that body be submitted to the superior authority within the time fixed by law. If during the course of the financial year, questions arise concerning any expenditure from the colonial treasury that has not been included in the budget, a supplementary grant is required. The annual budget as well as supplementary grants are to be presented to the king for his sanction, and after being confirmed, they are to be published and presented to the Rigsdag at its next following session (sec. 58). No tax can be levied, increased, modified, or abolished except by ordinance in the manner provided by law (sec. 59).

No measures touching the economic affairs of the commune can be effected by the governor or over-superior, nor can any expenditure from the colonial treasury be directed without the consent of the colonial council, either through the regular or supplementary grants, unless such measure or expenditure is based on existing laws, ordinances, or royal resolutions, or unless circumstances render immediate action necessary before the assent of the colonial council can be obtained. In the latter case the action must be ratified at the next regular or special session of the council, which must make a supplementary grant to cover the expenditure in question (sec. 60). In accordance with the preceding section none of the properties and invested funds belonging to the capital stock of the commune can be disposed of, nor can any loan be raised without the consent of the colonial council. Moreover in cases of more

than general importance, as in the disposal or mortgage of the property of the commune and the incurring of other than temporary loans to be paid from the annual revenue, the sanction of the governor, or according to circumstances, that of the minister must be obtained to render such resolution valid (sec. 61). If the majority of either of the colonial councils shall refuse to ratify the expenditure for any work which it is the legal duty of the government to carry on, the governor may enter a protest against such resolution, and upon refusal of the council to heed his protest, he may present the case through the minister to the king. Under such circumstances, the provisions of the previous budget are to be followed until the conflict is determined by royal decree (sec. 62).

The law of 1863 provided for the audit of accounts annually by two members of each colonial council appointed by the respective council. The annual draft of accounts is presented to the colonial council concerned and extracts are published. The council has power to examine the accounts through a special committee, which may command all necessary information, and upon the discovery of errors its duty is to present the matter to the king through the ministers (sec. 64, 65).

REVENUE AND EXPENDITURE.

The sources of revenue as seen from an examination of the budget are both direct and indirect taxes. But a small part of the revenue is collected from the various direct taxes. The budget of St. Thomas and St. John for 1899-1900 calls for \$28,700 from direct taxation out of a total of \$95,520; that of St. Croix of \$40,380 out of a total of \$154,865. The principal direct tax is the ground and building tax, which the budgets respectively

look to for \$10,000 and \$15,600 for the current year. The authorities endeavor to keep the amount collected from direct taxation constant by imposing supplementary taxes when necessary. The financial and commercial conditions of the island preclude any hope of increasing the revenue from this source for many years to come.

The main source of revenue is therefore from indirect taxation. The customs code of St. Thomas and St. John differs radically from that of St. Croix—a difference due to the fact that the importance of St. Thomas is yet primarily commercial, while that of St. Croix is agricultural. By the ordinance of October 23, 1885, concerning custom house and ship dues applicable to St. Thomas¹ there was imposed a uniform impost duty of 2 per cent. of the value of the goods at the last place of exportation, including all costs and charges incurred in placing the goods free on board.² An amendatory ordinance of April 14, 1893, raised the impost duty to 3 per cent. and abolished the light house dues of 1 cent per ton of the burden of vessels of 50 registered tons and upwards.³ The export duties of St. Thomas and St. John by the ordinance of October 23, 1885, are 5 per cent. on sugar produced in the islands and 1 $\frac{1}{3}$ cents per gallon on rum and molasses, all other goods being exempt from export charges.⁴ The exemptions from import duties under the ordinance of October 23, 1885, include: (a) Fresh

¹ For ordinance of 1885, see U. S. *Consular Reports*, Feb. 1886, No. 61, pp. 463-468; *Bulletin International des Douanes*, No. 110, Brussels, Feb. 1895.

² Ordinance of 1885, ch. I, sec. 2.

³ *Bulletin International des Douanes*. Supplement to No. 110. The limit of ordinance of April 14, 1893, was two years, but by virtue of an ordinance of Feb. 15, 1895, it was continued in force for an additional term of 5 years, to commence April 1, 1895.

⁴ Ordinance of October 25, 1885, ch. I, sec. 3.

fruit and vegetables; printed books and papers; coal; mules and asses; and wearing apparel, furniture, etc., that are brought in by the owner, who has already used them and for his personal use. (b) Agricultural implements; casks, hoops, staves and headings; machinery for producing sugar, rum and molasses; provided they are all to be used in the islands. (c) All goods on which duty has been paid in St. Croix; and all productions of other Danish West India islands, provided they are transported in Danish vessels. (d) All goods imported for the public service, for the account of the Danish state treasury or the Danish West India colonial treasuries.¹ In order to encourage the use of St. Thomas as a port of distribution, the ordinance of 1885² exempted from import duties all goods remaining on board a vessel and carried away thereon and all goods transhipped from vessel to vessel and not destined for St. Thomas or St. John, provided such goods were so specified in the bills of lading or in special reports.³ The amendment for April 14, 1893, authorized the government to grant free of duty and subjected to the control of the customs department bonded storage in private warehouses for goods that are imported with the intention of being re-exported to the country of their origin, and the duty must be paid on the expiration of that period; but the government may upon application grant an extension of the privilege for one year each time. Of the ship dues which furnish so important a part of the revenue of St. Thomas, the rate per ton discharged or laden is 15 cents for vessels of 20 tons burden or less, 50 cents for those of 50 tons or upwards, and 25 cents for other vessels.

¹ Ordinance of October 23, 1885, ch. I, sec. 2.

² *Idem*.

³ *Bulletin International des Douanes*, supplement 6, No. 110, sec. 2.

Sailing vessels under the Danish flag between the Danish West India Islands pay 2 cents for each ton of entire burden, provided they load or discharge at least one ton of goods; while Danish steamers in the same trade pay 2 cents on each ton discharged or laden.¹

The tariff applicable to St. Croix is that of June 30, 1850, with amendments made from time to time.² The import duties are both specific and ad valorem. Specific duties, varying from 60 cents per 100 lbs. on wheat flour to \$1.25 per 100 lbs. on meats, are levied on all the main articles of food. On other goods, the duty is either 5 per cent. or 12½ per cent. according to an elaborate schedule containing no less than 263 separate items. In general the exemptions are the same as those given for St. Thomas, with a similar provision for trade between those islands and St. Croix.³ The export duty on sugar from St. Croix is 5 per cent., and on rum and molasses 3 per cent., if shipped to Denmark whether exported in Danish vessels or in foreign vessels enjoying the same privileges as national vessels. If exported in other foreign vessels for whatever port, the duty is 10 per cent. on sugar and 6 per cent. on rum and molasses. In case export duties on these articles have been paid in St. Thomas or St. John, when they have been taken to St. Croix for re-exportation, the receipt for duties paid entitles the shipper to a corresponding reduction. All other goods, whether the produce of the island or not, may be exported free of duty.⁴

As has already been indicated, the indirect taxes furnish most of the revenue of the islands. By the budget of 1899-1900, the customs duties were calculated to produce \$19,000 of \$95,520 gross revenue of St. Thomas and St. John, and \$88,800 of \$154,865 gross revenue of

¹ Ordinance of October 23, 1885, ch. II, sec. 5.

² *Bulletin International des Douanes*, No. 120.

³ Revised Ordinance of 1850, sec. 4-6.

⁴ *Idem.*, sec. 7.

St. Croix. Of the other taxes regarded as indirect, St. Thomas and St. John estimate no less than \$23,500 from ship dues and harbor and pilotage charges for the corresponding year, while the St. Croix budget places but \$5,330 to the same account. The revenues of St. Thomas and St. John are also greater than those of St. Croix in the case of other indirect taxes, due to the relatively superior position of St. Thomas as a port of entry and a commercial distributing point for the other islands.

As has already been stated, the direct taxes of the islands are relatively unimportant as sources of revenue. The budget of St. Thomas and St. John for 1899-1900 estimates a revenue of \$28,700 from these sources, of which \$10,000 is accredited to the ground and building tax, \$6,700 to the house tax, \$7,300 to the trade tax, \$3,100 to the lamp tax, and \$1,600 to the horse, carriage, and boat tax. In St. Croix for the corresponding years, the estimate of revenue from direct taxation is \$40,380, the main items of which can be seen by a glance at the budgetary exhibit. While these direct taxes are relatively small, they have furnished a very uniform revenue for many years. Whether under any conditions they could be advantageously increased is uncertain, but the present financial and commercial condition of the islands seems to preclude any change that would bring about such a desired result.

Of the expenditures of the islands, the budgets for 1899-1900 show that the superior administration costs \$14,525 for St. Thomas and St. John, and \$14,625 for St. Croix. The judiciary and police account calls for \$29,980 in the former, and \$24,524 in the latter. The largest item of expense, and one that has occasioned the most complaint on the part of the inhabitants, as responsible for the annual deficit is that for military expenses, which is set for the current year at \$28,899.25

for St. Thomas and St. John, and at no less than \$51,588.75 for St. Croix. The increase of the military establishment subsequent to the insurrection of 1878 is acknowledged by all to be necessary for the proper policing of the islands, but the citizens have felt that it is a burden that should be borne by the home government—a contention that might well be sustained if the forces maintained served any other purpose than to meet the local needs. As the situation looks at present, it will be impossible for the direct or indirect taxes to be so reformed as to bring in more revenue, and the government will have to face an annual deficit so long as the islands remain under Danish control.

The underlying assumption of the law of 1863 was that by the arrangement set forth the Danish West Indies would become after April 1, 1865, financially independent, so that by their own power they would meet all the expenditures required by local necessities and the cost of the control of the motherland as well. It was assumed that they might also contribute in no small degree to the royal treasury of Denmark. Indeed, the law of 1863 specifically provides for an annual contribution of \$28,000 from St. Thomas and St. John for a period of ten years. St. Croix was to be free from such contribution for the same period, but thereafter an annual contribution was contemplated from each colonial treasury, the amount of which was to be fixed by law (sec. 56). It was further provided that the amounts in cash belonging to the state treasury in the islands should be gradually turned back to the home treasury as fast as the surplus might warrant, but for the purpose of transition the minister of finance was authorized to allow an adequate portion of such amounts to be retained in each of the colonial treasuries until sufficient cash of their own had been accumulated, and to permit payment of colonial expenses from the home treasury when nec-

essary, such outlays to be properly charged to the colonial treasury concerned (sec. 57).

As seen by Table III, the hope of aid to the state treasury from colonial revenues proved delusive, as in three only of the ten years did the revenue of St. Thomas and St. John exceed their fixed expenditures, and the total net deficit during the ten years subsequent was nearly \$16,000. In no year since 1879 has there been a surplus in St. Thomas and St. John, but the deficit has steadily increased until in some years it has reached as high as \$90,000. In St. Croix the financial history has been similar, the deficit in certain years amounting to no less than \$100,000. In 1871 the expenditures of the governor and over-superior were assumed by the royal treasury as a check upon the growing indebtedness of the colonies to the motherland. At that time the indebtedness of St. Thomas and St. John to the home treasury was only \$51,153, while that of St. Croix was \$71,856. Since that time, as shown by Table IV, there has been a steady increase in the amount, so that on March 31, 1898, the indebtedness of St. Thomas and St. John was no less than \$1,045,418, and that of St. Croix \$984,124, besides which from certain special loans St. Croix had an additional indebtedness to the home treasury amounting to no less than \$238,012 on March 31, 1897, the interest on which she has been unable to pay since 1884.

The reasons for the financial decline of the islands, as set forth by the council of St. Croix, are: the continual drought and poor crops for several successive years; the increase of the military expenditures after the insurrection of 1878; the increase of the poor rates and the pension charges, and the impossibility of levying increased taxes, either direct or indirect, to meet these

conditions.¹ Back of all this, of course, has been the economic decline of the colonies, an evidence of which is the decrease of one-half in the value of real estate in twenty years. The true cause seems to be found in the decline of the sugar industry, due to European competition and the inability of the inhabitants to readjust their agricultural industry to the new conditions.² The commercial importance of St. Thomas has fallen from another cause also, in that it has ceased to be the main distributing port for the neighboring islands, a position which it so long held before the era of steamships and cables.³ These causes are radical and it does not seem possible, therefore, that the islands will ever again assume the industrial and commercial standing which they formerly held.

From time to time changes in the fundamental law have been suggested so that the Danish Royal treasury should assume the burden of military expenditure and thus relieve in part the annual deficit. The latest and most sweeping proposal was made in 1895-6 by the Danish government, with the hope that it might be accepted by the colonies so as to go into operation April 1, 1897. By this proposal the existing colonial treasuries were to be abolished and two communal treasuries established. The home government was to assume the major portion of the expenses of each colony, and such a portion of the revenue that each communal treasury might show a small surplus balance.⁴

In brief the scheme of the government provided that all the indirect taxes as enumerated in the budgeting

¹ "Forslag til Lov om Forandring e Koloniallov for de dansk-vestindische Oer," (J. H. Shultz, Copenhagen, 1897,) pp. 3-10.

² See Crowell, "The Sugar Situation in the Tropics," *Political Science Quarterly*, XIV : 606.

³ Hill, R. T., "Cuba and Porto Rico," etc., 313-314.

⁴ Forslag til Lov om Forandring i Koloniallov for de dansk-vestindische Oer. (J. H. Schultz, Copenhagen, 1897.)

exhibits in Tables I and II, except the export dues, the cranage and wharfage fees, harbor and pilot fees and the dues on burger briefs, together with a part of the sundry revenues, were to be surrendered by each colony to the home treasury. The colony of St. Croix was also to give up the major part of the revenue from direct taxation on lands and buildings. In return the home treasury was to assume all the expenses of the superior administration, those of the governor's office and of the higher courts, the salaries of the minor administrative officers, all the pension charges, and all salaries and expenses of the military department, of justice and police, of the custom house, and of the clerical aid; and part of certain minor expenses, such as for public instruction and for building improvements.

A trial exhibit of this scheme published by the government based on averages from 1884-5 to 1888-9 showed that the home government would receive in St. Croix about \$87,410 of revenue and in St. Thomas and St. John about \$75,572, and in return would assume expenditures amounting in the first case to \$136,962 and in the second to \$131,773, leaving a deficit in each case to be paid from the home treasury of over \$50,000. The expenditures of the treasury of St. Croix was reduced to some \$65,401 and that of St. Thomas and St. John to \$52,954; the revenues in each case being sufficient to show a small surplus.

In other words, the Danish government considered that as it was inevitable that the annual colonial deficit would finally come upon the state treasury, a readjustment would be advisable, whereby the home treasury would assume to pay the annual deficit, which now amounts to nearly \$150,000, and at the same time control the revenues and expenditures as set forth above.

Notwithstanding the inducement that the indebtedness of the colonial treasury to the home treasury would be cancelled, and that within the limitations imposed, each colony would have its own independent budget, the measure failed of colonial approval mainly on the ground that it appeared to be an abrogation of the home rule principle.

In the petition of the colonial council of St. Croix to the government with regard to the matter, after enumerating the causes of the economic decline of the islands, the memorial states that the present condition of an annual deficit which cannot be met from the colonial treasury calls for some radical remedy. "This condition," says the council, "cannot otherwise than weaken the feeling of respect and independence of the colonial council, and it is highly desirable that heavier burdens be not imposed on the colonial treasury than it can bear." But in the view of the council, the effect of the bill would be to deprive that body of all rights of legislation in matters not purely commercial, and thus take away from the commune some of the most important powers that it now exercises. The contention of the ministry that the administration of the colonial communes would be brought into line with that of the Danish communes is answered by allusion to the fact that the latter have representatives in the Rigsdag and that the proposed law would deprive the colonial councils of their present right to present opinions to that body with regard to bills that would affect the administration of the islands. In other words, the colonial council, by a large majority insisted that if a change were to be made it would be unadvisable to lessen the privileges of the colonies as a recompense for the bounty of the home government.

CHARLES W. TOOKE.

TABLE I.
BUDGETARY EXHIBIT OF ST. THOMAS AND ST. JOHN—1893-1900.

REVENUES.	1893-94	1894-95	1895-96	1896-97	1897-98	1898-99	1899-00
	ACTUAL.	ACTUAL.	ACTUAL.	ACTUAL.	ACTUAL.	BUDGET.	BUDGET.
<i>A. Direct Taxation.</i>							
1. Ground and Building Tax-----	\$ 10,409	\$ 10,293	\$ 10,138	\$ 9,696	\$ 9,734	\$ 10,100	\$ 10,000
2. House-Tax-----	6,955	6,979	6,898	6,209	6,656	6,800	6,700
3. Trade-Tax-----	7,120	3,996	10,041	7,984	7,075	7,700	7,300
4. Lamp-Tax-----	2,480	1,706	3,189	3,184	3,028	3,300	3,100
5. Horse, Carriage and Boat-Tax-----	1,431	787	1,647	1,527	1,837	1,300	1,600
TOTAL-----	28,395	23,762	31,913	28,600	28,329	29,200	28,700
<i>B. Indirect Taxation.</i>							
1. Custom-dues and Fees-----	24,718	19,666	18,720	20,045	18,102	20,020	19,020
2. Ship and Light-house Dues-----	19,800	17,611	19,249	17,935	16,762	18,000	18,000
3. Revenues, Harbor and Pilot Dep't-----	5,551	5,325	5,182	5,414	5,856	5,400	5,500
4. Vendue Fees and percentages-----	611	792	984	1,439	749	1,000	1,000
5. Dues on Recorded Transfers of Property-----	45	120	98	75	80	100	100
6. Tax on Inheritances-----	1,022	2,839	419	232	316	600	600
7. Fees, Court, Police, etc.-----	7,464	7,748	6,514	6,634	5,194	7,200	6,200
8. Postal Department-----	13,154	10,179	19,086	11,252	10,913	12,000	12,000
9. Rum Licenses-----	1,250	1,398	1,170	1,106	1,056	1,200	1,100
TOTAL-----	73,556	65,677	71,424	64,132	59,037	65,520	63,520
<i>C. Sundry Revenues.</i>							
TOTAL REVENUES-----	\$105,621	\$ 92,931	\$109,321	\$ 96,053	\$ 91,021	\$ 97,720	\$ 95,520
	3,670	3,492	5,984	3,321	3,555	3,000	3,300

EXPENSES.

<i>A. Contribution to the General State Expenses.</i>									
<i>B. Superior Administration.</i>									
1.	The Government	10,502	11,949	12,196	11,162	11,300	12,400	12,400	12,400
2.	The Upper Court	1,924	2,111	2,133	1,907	2,127	2,125	2,125	2,125
<i>C. Colonial Council.</i>		1,546	1,372	1,437	1,276	1,219	1,398	1,398	1,398
<i>D. Administration and Public Institutions.</i>									
1.	Officers of Administration	5,961	5,918	5,953	5,943	5,086	5,975	5,975	5,965
2.	The Judiciary and Police	29,562	29,439	27,367	26,376	26,012	29,980	29,980	29,980
3.	Clerical Dep't	1,350	1,350	1,350	1,350	1,284	1,350	1,350	1,350
4.	Customs Dep't	6,062	6,105	6,103	6,136	5,151	6,218	6,218	5,400
5.	Harbor and Pilot Dep't	6,228	6,162	6,160	6,108	6,171	6,371	6,371	6,371
6.	Post and Telegraph	13,186	25,553	17,940	11,905	14,241	16,200	17,300	17,300
7.	Military	30,806	27,720	27,212	28,741	30,001	28,914	28,899	28,899
8.	Fire Dep't	2,864	2,829	2,714	2,702	2,728	3,042	3,042	3,042
9.	Streets and Roads	10,083	10,535	10,628	10,422	11,422	11,532	11,132	11,132
10.	Public Instruction	9,618	10,133	9,676	9,594	9,398	10,008	10,008	10,008
11.	Sanitary Dep't	15,090	14,328	14,158	14,581	14,235	14,590	14,900	14,900
12.	Poor Dep't	4,221	4,480	4,480	4,470	4,589	4,950	5,000	5,000
13.	Prison Dep't	2,845	3,003	2,727	3,286	3,903	3,350	3,350	3,350
<i>E. Building, etc., Expenses.</i>		13,637	14,724	10,347	10,806	10,023	10,740	10,715	10,715
<i>F. Pensions</i>		8,296	7,487	8,585	8,483	10,231	11,027	10,351	10,351
TOTAL EXPENDITURE		\$173,783	\$185,197	\$170,944	\$165,249	\$169,122	\$180,170	\$179,686	\$179,686

TABLE II.—BUDGETARY EXHIBIT OF ST. CROIX—1893-1900.

REVENUES.		1893-94	1894-95	1895-96	1896-97	1897-98	1898-99	1899-00
		ACTUAL.	ACTUAL.	ACTUAL.	ACTUAL.	ACTUAL.	BUDGET.	BUDGET.
<i>A. Direct Taxation.</i>								
1.	Ground Building Tax	\$15,985	\$14,685	\$15,844	\$15,141	\$15,817	\$15,200	\$15,600
2.	House Tax	2,044	1,972	2,019	1,915	1,858	1,970	1,930
3.	New Tax	5,832	5,027	5,578	5,228	5,480	5,270	5,430
4.	Immigration Tax	5,001	4,173	5,028	4,601	5,078	4,600	4,900
5.	Cavalry and Artillery Tax	3,504	2,796	3,324	3,068	3,664	3,030	3,350
6.	Absentee Tax	2,291	1,724	1,436	1,597	1,648	1,580	1,560
7.	Horse, Carriage and Boat Tax	5,555	4,572	5,091	5,977	5,619	5,000	5,760
8.	Quarter per cent. Tax	1,717	1,388	2,072	1,642	1,860	1,700	1,850
TOTAL A		41,930	36,337	40,992	39,169	41,023	38,350	40,380
<i>B. Indirect Taxation.</i>								
1.	Import Duty and Fees	61,102	60,796	56,792	67,839	66,975	61,765	63,880
2.	Export Duty	31,166	27,541	19,925	32,247	27,134	20,000	25,000
3.	Ship Dues	4,137	3,659	3,627	4,449	4,314	3,900	4,130
4.	Craneage and Wharfage	4,097	4,264	3,767	4,756	4,831	4,200	4,450
5.	Harbor and Pilot Department	1,694	1,054	1,060	1,122	1,116	1,080	1,100
6.	Stamp Dues	2,183	1,621	2,553	1,286	2,311	1,800	2,000
7.	Vendue Fees	311	458	432	535	199	450	380
8.	Fees on Inheritance	27	345	413	1,060	348	550	550
9.	Fees (Court, Police, etc.)	6,680	6,397	6,434	6,228	8,040	6,310	7,160
10.	Post Office Department	3,582	3,839	3,687	3,846	4,087	3,800	3,870
TOTAL B		114,980	109,975	98,690	123,369	119,364	103,855	112,020
<i>C. Sundry Revenues.</i>								
1.	Fines and Confiscations	226	251	436	349	339	345	375
2.	Revenues from Prisons	895	1,332	656	797	573	930	675
3.	Interest on Capital Invested	765	1,284	713	715	650	680	650
4.	Sundry Revenues	860	968	1,007	1,453	792	820	765
TOTAL C		2,746	3,835	2,812	3,315	2,354	2,775	2,465
TOTAL REVENUES		\$159,656	\$150,147	\$142,494	\$165,853	\$162,741	\$144,980	\$154,865

TABLE III.—EXHIBIT SHOWING THE SURPLUS OR DEFICIT IN ST. CROIX AND ST. THOMAS AND ST. JOHN FOR SELECTED YEARS FROM 1866 TO 1898, IN THOUSANDS OF DOLLARS.

St. Croix (A).				St. Thomas and St. John.				
YEAR.	Revenue.	Expense.	Surplus.	Deficit.	Revenue.	Expense.	Surplus.	Deficit.
1865-66 -----	\$190	\$179	\$ 11	-----	\$211	\$201	\$ 10	-----
1870-71 -----	206	225	-----	\$19	215	189	26	-----
1875-76 -----	296	340	-----	43	203	205	-----	\$ 2
1880-81 -----	170	199	-----	29	177	204	-----	27
1885-86 -----	150	200	-----	50	140	186	-----	46
1890-91 -----	151	202	-----	51	112	174	-----	62
1891-92 -----	114	197	-----	83	106	173	-----	67
1892-93 -----	143	199	-----	56	101	174	-----	73
1893-94 -----	160	199	-----	39	105	174	-----	68
1894-95 -----	150	197	-----	47	93	185	-----	92
1895-96 -----	142	196	-----	54	109	171	-----	62
1896-97 -----	166	198	-----	32	96	165	-----	69
1897-98 -----	162	199	-----	37	91	169	-----	78

(A). It is to be noted that in the case of St. Croix no interest charges are included in the actual expenditures, as that commune has not paid any interest on its indebtedness to the home treasury since 1884-5. This amount, which really belongs to the deficit, has been set forth in the budget for several years at \$51,517 annually.

Cf. Table II, last line.

TABLE IV.

INDEBTEDNESS OF COLONIAL TREASURIES TO STATE TREASURY.

1 RUNNING ACCOUNTS.		RUNNING ACCOUNTS.	
ST. CROIX.		ST. THOMAS AND ST. JOHN.	
March 31.—Thousand Kr. = \$268.			
1866	244		298
1867	77		213
1868	19		207
1869	—51		276
1870	108		317
1871	257		183
1872	125		211
1873	160		162
1874	157		167
1875	112		120
1876	258		187
1877	370		262
1878	347		289
1879	159		244
1880	575		298
1881	737		391
1882	911		541
1883	964		655
1884	1,027		709
1885	1,246		829
1886	1,404		1,025
1887	1,616		1,226
1888	1,822		1,358
1889	1,938		1,562
1890	2,024		1,707
1891	2,198		1,855
1892	2,386		2,129
1893	2,592		2,420
1894	2,848		2,647
1895	3,046		2,980
1896	3,245		3,222
1897	3,484		3,526
1898	3,672		3,901

¹ St. Croix is further indebted to the home treasury by special loans for government sugar factory, etc., to an amount on March 31, 1897, of 885,091 Kr. or \$238,012, including interest, which has been unpaid since 1884-1885.